

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2000-0214-C- ORDER NO. 2000-856
OCTOBER 23, 2000

IN RE: Application of Pathnet, Inc. For Approval of)	ORDER APPROVING
Flexible Regulation as a Competitive Local)	FLEXIBLE
Exchange Carrier and for Alternative)	REGULATION OF
Regulation as an Interexchange Carrier)	LOCAL SERVICES AND
)	ALTERNATIVE
)	REGULATION OF
)	INTEREXCHANGE
)	SERVICES

This matter comes before the Public Service Commission of South Carolina ("Commission") on the request Pathnet, Inc. ("Pathnet" or the "Company") for approval of flexible regulation for its local exchange service offerings and for alternative regulation of its interexchange business service offerings. Pathnet requests that its local exchange service offerings be regulated in accordance with procedures authorized for NewSouth Communications in Order No. 98-165 in Docket No. 97-467-C. Additionally, Pathnet requests that its interexchange business service offerings, consumer card services, and operator services be regulated in accordance with the procedures established for alternative regulation in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

Pursuant to the instructions of the Commission's Executive Director, a Notice of Filing was published in newspapers of general circulation in the areas affected by the

request of Pathnet for flexible regulation and alternative regulation. No Protests or Petitions to Intervene were received regarding Pathnet's request.

Accordingly, the matter comes before the Commission for disposition. Flexible regulation of local exchange services was first recognized by this Commission by Order No. 98-165 in Docket No. 97-467-C. Pathnet requests that the Commission adopt for its competitive intrastate local exchange services a flexible regulatory treatment as first approved by Order No. 98-165 in Docket No. 97-467-C. This flexible regulatory treatment of competitive local exchange services consists of a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels. Further, local exchange service tariffs are presumed valid upon filing, subject to the Commission's right within thirty (30) days to initiate an investigation of the tariff filing, in which case the tariff filing will be suspended pending further Order of the Commission. Additionally, any company under the flexible regulatory scheme as approved by Order No. 98-165 in Docket No. 87-467-C will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

Alternative (or relaxed) regulation was first approved for AT&T of the Southern States by Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The alternative regulatory scheme approved in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, and as approved for other interexchange carriers, provides that tariffs shall be presumed valid upon filing, subject to the Commission's right within seven (7) days to institute an investigation of the tariff filing, in which case such filing shall be suspended pending further Order of the Commission. Pathnet requests that this alternative regulation be

approved for its interexchange business services, consumer card services, and operator services in South Carolina.

Since the Commission has received no opposition to Pathnet's request, the Commission approves Pathnet's request for flexible regulation of its local exchange service offerings and for alternative regulation of Pathnet's business service offerings, consumer card offerings, and operator service offerings.

IT IS THEREFORE ORDERED THAT:

1. Pathnet's request for flexible regulation of its local exchange service offerings and for alternative regulation of its business service offerings, consumer card service offerings, and operator service offerings is granted.
2. Under flexible regulation for local exchange service offerings, Pathnet shall file with the Commission tariffs which shall include a maximum rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels. Further, local exchange service tariffs are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing will be suspended pending further Order of the Commission. Additionally, Pathnet, under the flexible regulatory scheme as approved by Order No. 98-165 in Docket No. 87-467-C, will be subject to the same monitoring process as similarly situated competitive local exchange carriers.
3. Under alternative regulation, Pathnet shall not be required to state maximum rates (caps) for its business service offerings, consumer card service offerings, and operator service offerings. Such rates shall be presumed valid upon filing, subject to

the Commission's right within seven (7) days to institute an investigation of the tariff filing, in which case such filing shall be suspended pending further Order of the Commission. Further, Pathnet shall be subject to the same monitoring process as similarly regulated companies.

4. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)